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SENSITIVE
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STATE FOR NEA/ELA, NEA/RA, AND OES
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TAGS: [SENV](#) [PGOV](#) [PREL](#) [IS](#) [JO](#)
SUBJECT: ATHENS RED-DEAD DONOR COMMITTEE MEETING

REF: A. Amman 860
[1](#)B. Amman 508

(U) SENSITIVE BUT UNCLASSIFIED. NOT FOR INTERNET DISTRIBUTION

[1](#)1. (SBU) Summary. The second donor committee meeting of the Red Sea - Dead Sea Water Conveyance Study Program (RDS) led by the World Bank convened in Athens on May 4. The RDS, which started in May 2008, is studying the feasibility of rehabilitating the Dead Sea, generating hydropower, and constructing a desalination plant to provide additional potable water for the beneficiary parties (Jordan, Israel, and the Palestinian Authority). The World Bank along with the steering committee from the beneficiary parties chaired the meeting and the lead consultants, Coyne et Bellier and Environmental Resources Management, provided status reports. All donors (with the exception of Japan) attended the meeting. The \$16.7 million in current donor funding has resolved previous RDS funding shortfalls. The World Bank is currently projecting a RDS completion date of December 2010, while acknowledging the potential for additional slippage. A panel of independent experts is to be appointed shortly to review the project and study alternatives to the RDS. End Summary.

Beneficiaries, Donors, and Consultants Convene

[1](#)2. (SBU) The Greek Ministry of Foreign Affairs and the World Bank hosted the second donor committee meeting of the Red Sea - Dead Sea Water Conveyance Study Program (RDS) on May 4 in Athens. The RDS, which started in May 2008, is studying the feasibility of rehabilitating the Dead Sea, generating hydropower, and constructing a desalination plant to provide additional potable water for the beneficiary parties (Jordan, Israel, and the Palestinian Authority). All the donors (U.S., France, Italy, Korea, Netherlands, and Sweden) attended the meeting with the exception of Japan. The RDS Technical Steering Committee, headed by World Bank Chair Dr. Vahid Alavian, Israeli Water Commissioner Uri Shani, Palestinian Water Authority Chair Dr. Shaddad Attili, and Secretary General of the Jordanian Ministry of Planning and International Cooperation Nasser Shraideh, led the meeting. The lead consultants, Coyne et Bellier

which manages the feasibility study and Environmental Resources Management (ERM) which is responsible for the Environmental and Social Assessment Study, also provided updates along with the RDS Study Management unit. Para 10 lists all the attendees.

Funding Shortfall Resolved, but Slippage Likely

13. (U) With recent contributions from Sweden, South Korea, and Italy, the World Bank has been able to resolve the funding shortfalls that have plagued the RDS. The current total donor contributions of \$16.7 million are broken down as follows:

France - \$4 million
Sweden - \$3 million
Italy - \$2.7 million
Japan - \$2 million
Netherlands - \$1.5 million
U.S. - \$1.5 million (provided by USAID/Jordan)
Greece - \$1 million
South Korea - \$1 million

14. (SBU) The RDS had an original timeline of two years when the study commenced in May 2008 with two main components - a feasibility study awarded to French consultants Coyne et Bellier (CEB), and an Environment and Social Assessment Study awarded to British firm ERM. However, some pre-requisite information originally assumed to be available was found lacking. As a result, the World Bank now expects to start in June 2009 two technical sub-studies on the impact of mixing Red Sea and Dead Sea water, as well as the impact of water extraction from the Red Sea. These sub-studies are likely to contribute to an overall slippage to the RDS completion date to December 2010. When donors questioned the likelihood of meeting the tight timelines, the Steering Committee acknowledged the potential for additional slippage into 2011. The technical complexity of the RDS was recognized by a Steering Committee member who remarked, "we are still finding new questions as we work on the answers." The key milestones ahead of the RDS are:

-- Appointment of Panel of Experts - May 09
-- Start of Study of Alternatives - June 09
-- Start of Red Sea and Dead Sea Technical Sub-studies - July 09
-- Initiation of economic, legal, and institutional issues report - November 09
-- Final Feasibility and Environment and Social Assessment Reports - December 2010

Feasibility Study Updates

15. (SBU) Coyne et Bellier (CEB), the lead consultants for the Feasibility Study delivered their first assessment, the Options Screening and Evaluation report, in January 2009. In this report, they examined 15 alternative conveyance scenarios which have now been narrowed down for more detailed evaluation. The scope of water flows considered a range from 1,000 million cubic meters (MCM), the minimum inflow required to stabilize the Dead Sea at the prevailing level when the project is likely to be commissioned, to 2,000 MCM in which scenario the Dead Sea would stabilize at a target level of -411m by 2054. (Note: The current Dead Sea water level is -425m and has been dropping on average a meter/year since 1985. End Note.) It is expected that the brine from the desalination plant would create a layer on top of the current Dead Sea water (there used to be a layer of fresh water before the diminished fresh water supply). Different scenarios for potable water provision to the beneficiary parties have also been considered with Jordan likely to get the bulk of the potential 850 MCM that could be available by 2060.

16. (SBU) Some yet to be finalized recommendations from the consultants include a water intake location through a submerged bellmouth positioned at the site of a decommissioned thermal power plant in the Gulf of Aqaba along the Jordanian coastline. The consultants are also considering a mix of conveyance mechanisms (tunnel, pipeline, canal) based on the conveyance system elevation for optimal water transportation. Other technical issues under study include the most advantageous desalination process, the location of the desalination plant and hydropower facility, the ideal Dead Sea discharge location, and the best methodologies for transporting potable water to Jordan, Israel, and the Palestinian

Authority. The energy balance (for water transmission, hydropower generation, and desalination) in the different permutations being considered is a key element in the analysis. CEB gave an "unofficial" estimate of \$8 billion to implement the conveyance project.

Environment and Social Assessment Study Updates

17. (SBU) ERM provided an update to its activities which include completion of an archaeological impact study to guide the selection of the final conveyance option, as well as several local-level public consultation meetings in Jordan, Israel, and the Palestinian Authority with overall attendance by 306 people. Key environmental issues such as the impact of mixing the Dead Sea and Red Sea waters, as well as the impact on the Gulf of Aqaba were common concerns in the consultation meetings. ERM highlighted that its meetings in Israel generated the greatest public resistance to the project. The technical sub-studies, scheduled to start shortly, will feed into the final Environment and Social Assessment Study. Donors suggested that the public consultation process could be augmented by electronic outreach. The World Bank agreed to take on the creation of a blog to track and convey project progress. In response to donor queries regarding gender issues, ERM highlighted its plans for separate male/female meetings in Jordan since some Jordanian women did not want to attend mixed meetings.

Additional Donor Concerns

18. (SBU) Several donors asked about Egyptian and Saudi Arabian concerns regarding the impacts on the Gulf of Aqaba. The World Bank is planning to travel to these countries to provide them with updates as well as to liaise with the Jeddah based PRESQA - the regional seas organization whose responsibilities include monitoring marine life and water quality in the Red Sea. Israeli Water Commissioner Shani noted that transparency was particularly critical for the RDS since the project impacted multiple parties, multiple eco-systems, and would have varied impacts on the different stakeholders. Donor questions regarding financing, institutional governance and operational mechanisms were generally deferred to the pending economic, legal and institutional issues report to be started in November 2009.

Panel of Experts and Study of Alternatives

19. (SBU) World Bank requirements and the RDS terms of reference mandate the appointment of an independent Panel of Experts to study the environmental impacts of a large project such as the RDS. The World Bank provided a preliminary listing of its selected panel comprised of experts from the University of Capetown, the former Deputy Minister of Environment from Canada, a Chemistry professor from the University of Greece, and a former USAID project finance specialist. This independent panel will advise the Technical Steering Committee. In addition, the three beneficiary parties have each nominated an expert to a Panel of Experts to lead a study of alternatives to the RDS. These alternatives could include the "no action" option, as well as the one proposed by many civil society NGOs to rehabilitate the Jordan River. The Technical Steering Committee highlighted that the panel would need to develop criteria to screen possible options that could fulfill the RDS objects of not only rehabilitating the Dead Sea, but also generating hydropower and providing potable water. The experts chosen by the beneficiary parties are:

- Jordan: Dr. Hussein Malkawi, Vice President of the Jordan University of Science and Technology;
- Israel: Dr. Yacov Tsiv, Hebrew University of Jerusalem; and,
- Palestinian Authority: Dr. Anthony Allan, King's College London (winner of the 2008 Stockholm prize and pioneer of the virtual water concept).

Participant List

10. (U) The following is the list of participants at the Second Donor Committee Meeting:

Hellenic Republic (Host)
Mr. Alexandros Tsiatsiamis, Ministry of Foreign Affairs
Mr. Alexis Galinos, Ministry of Foreign Affairs

France
Mr. Jean-Michel Linois-Linkovskis, Ministry of Ecology, Energy, and Sustainable Development
Mrs. Lise Breuil, Agence Francaise de Developpement

Italy
Mr. Filippo Scammacca, Ministry of Foreign Affairs
Mr. Guido Benevento, Ministry of Foreign Affairs

Korea
Ambassador Shin Bong-kil, Embassy of Republic of Korea, Amman
Mr. Geon Gyu-suk, First Secretary, Embassy of Republic of Korea, Athens

Netherlands
Mr. Hans Renia, Embassy of Netherlands, Athens

Sweden
Ms. Annika Johansson, Embassy of Sweden, Amman

U.S.
Mr. Manu Bhalla, ESTH Hub Officer, Embassy of United States, Amman

Israel
Mr. Uri Shani, Israel Chair to Technical Steering Committee
Mr. Daniel Nevo, Ministry of Foreign Affairs

Jordan
Mr. Nasser Shraideh, Secretary General, Ministry of Planning and International Cooperation
Mrs. Maha Zubi, Ministry of Planning and International Cooperation

Palestinian Authority
Dr. Shaddad Attili, Palestinian Authority Chair to the Technical Steering Committee
Mr. Fuad Batah, Special Advisor to the Palestinian Water Authority

The World Bank
Dr. Vahid Alavian, World Bank Chair to the Technical Steering Committee
Dr. Stephen Lintner, Technical Steering Committee

Study Program Consultants
Mr. David Meehan, Coyne et Bellier (Feasibility Study)
Dr. Raymond Colley, Environmental Resources Management (Environmental and Social Assessment Study)
Dr. Tim Smith, Environmental Resources Management

RDS Study Management Unit
Dr. Alexander McPhail, Head of Study Management Unit, World Bank
Mr. Gershon Vilan, Israel
Eng. Fayez Bataineh, Jordan
Mr. Mohammed Mehany, World Bank, substituting for PWA Ibrahim Dajani

Observers
Prof. Michael Schoulos, University of Athens
Prof. Konstantinos, University of Athens

¶11. (SBU) The World Bank hopes Sweden will host the next RDS Donor Committee meeting in the winter of 2009. South Korean Ambassador Shin Bong-kil offered to host the next meeting in Seoul if needed.

¶12. (U) This message has been cleared with Embassy Athens.

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